

Title: Provider profiling

ISSUE: This paper explores the viability and technical issues associated with comparing Medicare fee-for-service physicians' use of services.

KEY POINTS: Provider profiling is a tool that has been increasingly used by private sector purchasers as part of their cost containment and quality improvement strategies. In contrast, Medicare does not generally profile the resource use of its providers or share its data with others.

To be effective, profiling of resource use must be able to accurately and fairly distinguish between providers who use more resources and those who use fewer resources. In addition, it must encourage providers to change their practice patterns. Among the key design issues that must be addressed to achieve these goals are how to assign patient care to physicians, what type of care to measure, whether to measure group practices only or all physicians, identifying the appropriate benchmark for comparison, and risk adjustment.

ACTION: Commissioners should provide feedback on the tone and content of the paper as well as on the direction of future research.

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